The Effect of Financial Performance and Company Size on Company Value with Corporate Social Responsibility and Good Corporate Governance as Moderation Variables

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Abstract. This study aims to examine the effect of financial performance and company size on firm value with Corporate Social Responsibility (CSR) and Good Corporate Governance (GCG) as moderating variables. The sample used in this research is a manufacturing company listed on the Indonesia Stock Exchange for the 2016–2021 period, from the results of the observation process, a total of 24 samples were obtained. The data analysis used is moderation regression analysis. The results of this study reveal that financial performance affects firm value and can be strengthened by Corporate Social Responsibility, but company size does not affect firm value and cannot be strengthened by Good Corporate Governance.

Keywords: Corporate Social Responsibility · Good Corporate Governance · Firm Value

1 Introduction

Today's business competition is getting tougher. Businesses must be able to improve their performance to achieve their goals. Martono and Harjito (2004) state that one of the important goals of establishing a company is to increase the welfare of owners or shareholders, or to maximize shareholder wealth through increasing the value of the company. You can use your company values. Financial performance is often determined by financial ratios. This financial ratio allows stakeholders to find out how the company is performing, and this financial ratio can determine the value of the company. The higher the financial performance, the higher the firm value. If a company can operate for profit, it can increase the value of the company. The profits obtained allow the company to pay dividends to shareholders, increase the company's growth and maintain the company's survival. In this regard, studies on the effect of financial performance on firm value have been carried out extensively and have shown inconsistent results. According to Hermawati (2012), financial performance has a positive effect on firm value. This proves that ROA is one of the factors that influence firm value. According to Yuniasih and Wirakusumah (2007), financial performance has a positive effect on firm

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value. Meanwhile, Carningsih (2012) found that ROA has a negative (-) effect on firm value.

Rahadian's (2010) research on the negative impact of financial performance on firm value also found varying results, supported by Rahayu's (2010) research on the negative impact of financial performance on firm value. Another factor that is thought to influence the value of the company is the size of the company. A large company means that the company is developing so that investors respond positively and the company's value increases (Puspita, 2011). Relative market share indicates that the company is more competitive than its main competitors. Investors will actively respond to increase the value of the company. Companies with large total assets or referred to as large companies receive more attention from investors, creditors and other users of financial information than small companies. Animah and Ramadhani (2010) state that the value received by a good quality company will be lower than the actual value, which occurs when the company is unable to communicate the real situation to its stakeholders. According to Animah and Ramadhani (2010), company size has a positive effect on firm value.

In addition, researchers also added disclosure of Corporate Social Responsibility (CSR) and Good Corporate Governance (GCG) as moderating variables. Previous research stated that corporate social responsibility and good corporate governance are non-financial factors that companies currently need to consider. In recent years, many companies have increasingly realized the importance of implementing Corporate Social Responsibility (CSR) programs as part of their business strategy. Research by Basamalah and Jermias (2005) in Chandra (2010) shows that one of the reasons management conducts social reporting is for strategic reasons. Even though it is not yet mandatory, it can be said that almost all companies listed on the Indonesia Stock Exchange have disclosed information regarding CSR in their annual reports. The company will disclose some information if the information can increase the value of the company. Companies can use corporate social responsibility disclosure information as a competitive advantage for companies. Companies that have good environmental and social performance will receive a positive response from investors through increasing stock prices. If the company has poor environmental and social performance, doubts will arise from investors so that they respond negatively through a decrease in stock prices which in turn has an impact on decreasing company value (Almilia and Wijayanto 2007, in Thohiri, 2011).

Researchers also added disclosure of Corporate Social Responsibility (CSR) and Good Corporate Governance (GCG) as control variables. Previous studies have shown that Corporate Social Responsibility and Good Corporate Governance are non-financial factors that companies must consider at this time. In recent years, many companies have become increasingly aware of the importance of implementing Corporate Social Responsibility (CSR) programs as part of their business strategy. According to Chandra's (2010) study of basamalah and Jermias (2005), one of the reasons executives carry out social reports is for strategic reasons. Even though it is not yet mandatory, it can be said that almost all companies listed on the Indonesia Stock Exchange have disclosed information about CSR in their annual reports.

Companies disclose information if the information can increase the value of the company. Public information corporate social responsibility can be used as a competitive advantage for companies. Companies with good environmental and social performance will get a positive response from investors through rising stock prices. If the company's environmental and social performance is not good, investors become suspicious, and stock prices fall and act negatively, which affects the company's value (Almilia and Wijayanto 2007, in Thohiri, 2011).

Good Corporate Governance is a system that regulates how an organization is properly operated and controlled. The basic principles of Good Corporate Governance are primarily aimed at providing progress in company performance. Good Corporate Governance is more oriented towards a set of corporate behavior patterns as measured by performance, growth, financial structure, and shareholder treatment. By fulfilling transparency and responsibility for making systematic decisions that can be used as a basis for measuring company performance that is more accurate, it can be used as basic data for analysis when evaluating Good Corporate Governance in a country (Surya, 2008, in Tarigan, 2011). When a company's performance increases, its value also increases. The mechanism of corporate governance is one of the key factors in increasing economic efficiency, including a set of relationships between company management, the board of directors, shareholders and other stakeholders. Corporate governance mechanisms also provide structure as a means of facilitating the setting of corporate objectives and determining performance monitoring techniques. According to Rahadianti (2011), the main reason for implementing corporate governance is to implement other forms of corporate and professional ethics which have long been a company commitment, and that corporate governance enforcement is related to improving corporate image.. Companies that implement corporate governance improve their image and increase their corporate value. Based on the explanation above, researchers are interested in examining "The effect of financial performance and company size on firm value by using the moderating variables of Corporate Social Responsibility (CSR) and Good Corporate Governance (GCG)".

2 Literature Review

A. Agency Theory
A firm can be seen as a loosely defined contractual relationship between two parties: the shareholders and the company's operations [9]. The agency relationship is a contract between the principal and the agent. According to Darmawati et al. (2005), the essence of the agency relationship is the separation between ownership (principal/investor) and control (agent/manager). Ownership is represented by investors who delegate authority to agents, in this case managers, to manage investor wealth. Investors have the hope that by delegating management authority, they will benefit by increasing the wealth and prosperity of investors. Alijoyo and Zaini (2004) assume that the separation of executive and supervisory functions in agency theory creates "checks and balances", resulting in healthy independence. For managers to produce maximum company performance and adequate returns for shareholders.

B. Contingency Theory
Contingency theory was first introduced by Lawrence and Lorsch (1967) and then used by Kazt and Rosenzweig (1973) who stated that there is no best way to achieve a match between organizational and environmental factors to obtain good performance for an

organization. According to Sari (2006) in Azli and Azizi (2009), contingency theory is a theory that is suitable for use in terms of studying design, design, achievement and organizational behavior as well as studies related to strategic arrangements. According to Raybun and Thomas (1991) in Azli and Azizi (2009), contingency theory states that the choice of an accounting system by management is dependent on differences in corporate environmental pressures. This theory is important as a medium to explain differences in organizational structure. Variables that are often used in this field are organization, environment, technology, method of decision making, company size, structure, strategy, and organizational culture (Raybun and Thomas, 1991), as well as uncertainty, technology, industry, mission and competitive strategy, observability (Fisher, 1999).

In the context of this study, CSR and GCG contingent variables will be used to see the effect on the relationship between financial performance and firm value. CSR is a strategy used by companies as a result of environmental pressures around the company. In Law no. 40, 2007, it is stated that companies whose activities are in the sector or related to natural resources must implement CSR. Demands from stakeholders and the environment have 'forced' the company so that the existence of the company is positively appreciated by stakeholders so as to achieve high corporate value.

According to IICG (2010), GCG can be defined as structures, systems and processes used by company organs as an effort to provide added value to the company on an ongoing basis in the long term. According to Daniri (2008), GCG was triggered by the economic crisis that hit the world, so that the crisis does not recur, a better company management system and structure is developed. The implementation of GCG requires a company to apply certain structures and systems. In terms of structure, companies are required to create certain organizational tools (such as independent commissioners, audit committees, remuneration committees) to carry out specific functions, whereas in terms of systems, company management is required to follow certain processes or rules in making decisions and in carrying out its activities in general.

C. Company Value

Based on [10] firm value is measure or investors perception of the company's success. Firm value is a certain condition that has been achieved by a company as an illustration of public trust in the company after going through a process of activity for several years, namely since the company was founded until now. The main goal to be achieved by the company is to maximize the value of the company. This goal is used because by maximizing the value of the company, the owner of the company will become more prosperous or become richer (Husnan, 2000). Brigham and Gapenski (in Pertiwi, 2012: 120) state that company value has an important role because with high corporate value, it will be followed by high prosperity for shareholders. Firm value is basically measured by several influencing aspects, one of which is the company's stock market price, because the company's stock market price reflects investors' assessment of the overall equity owned by the company (Wahyudi and Pawestri, 2006).

According to Nurlela and Ishlahuddin (2008), company value is defined as market value because if the company's share price increases, the company's value can provide maximum prosperity or profit for shareholders. So the greater or higher the share price, the higher the profit for shareholders so that this situation will be in demand by investors because with increased demand for shares, the value of the company will also increase. If the shareholders hand over the management of the company to people who are competent in their fields, such as managers and commissioners, the maximum value of the company will also be achieved. Financial ratios are used by investors or shareholders to determine the company's market value. These ratios can provide an indication for management regarding the evaluation of investors or shareholders on the company's performance in the past and its prospects in the future. There are several ratios to measure a company's market value, one of which is Tobin's Q. This ratio is considered to provide the best information, because Tobin's Q includes all elements of the company's debt and share capital, not just ordinary shares and not only company equity but all company assets.

D. Company Performance

Performance is a description of the level of achievement of the implementation of a company's activities in realizing the goals, objectives, mission and vision of the organization contained in the strategic planning of a company. Meanwhile, financial performance is work performance that has been achieved by the company in a certain period and stated in the financial statements of the company concerned (Munawir, 1998).

Management's goal is to maximize the value of the company. To achieve this goal, the company must take advantage of the strengths of the company and continuously improve the weaknesses that exist. One way is to measure financial performance by analyzing financial reports using financial ratios. The results of measurement of performance achievements are used as a basis for management or company managers to improve performance in the next period and are used as the basis for giving rewards and punishments to managers and members of the organization. Performance measurement that is carried out every certain period of time is very useful for assessing the progress that has been achieved by the company and produces information that is very useful for management decision making and is able to create value for the company itself to stakeholders.

According to Putri (2009), there are two kinds of performance that are measured in various studies, namely company operating performance and market performance. The company's operating performance is measured by looking at the company's ability as shown in its financial statements. To measure the company's operating performance, profitability ratios are usually used. Profitability ratios measure a company's ability to generate finance at a certain level of sales, assets, and share capital. The ratio often used is ROE, which is a financial ratio that serves to measure a company's ability to generate profits with a certain capital. This ratio is a measure of profitability from the point of view of shareholders (Hanafi & Halim, 1996). ROE is a company's ability to generate profits with its own capital, so that this ROE is called the profitability of its own capital (Sutrisno, 2000: 267). One of the main reasons companies operate is to generate profits that benefit shareholders, the measure used in achieving this reason is the high and low ROE figures that have been achieved. The higher the ROE, the higher the company's ability to generate profits for shareholders.

E. Company Size

Company size describes the size of the company, the scope of an organization and the responsibilities that the organization carries [11]. The size of the business is seen from the field of business being run. Determining the size of the company can be determined based on total sales, total assets, average level of sales (Seftianne, 2011). Large companies have many advantages over small companies. The first advantage is that company size can determine the ease with which a company obtains funds from the capital market. Second, company size determines bargaining power in financial contracts. And third, it is possible that the effect of scale on costs and returns allows larger firms to earn more profits. Company size describes the size of the company.

The size of the business is seen from the field of business being run. Determining the size of the company can be determined based on total sales, total assets, average level of sales (Seftianne, 2011). Large, well-established companies will find it easier to obtain capital in the capital market compared to small companies. Because the ease of access means that large companies have greater flexibility, Sartono (2010:249).

F. Corporate Social Responsibility

According to Wibisono in his book entitled "Dissecting the Concept and Application of Corporate Social Responsibility (CSR)", Wibisono describes that Corporate Social Responsibility (CSR) is an ongoing commitment by the business world to act ethically and contribute to the economic development of the local community or wider society, together with by improving the standard of living of workers and their families. According to Fraderick et al., the notion of Corporate Social Responsibility (CSR) can be interpreted as a principle which explains that companies must be able to be responsible for the effects that come from every action in society and its environment. Corporate Social Responsibility (CSR), with the passage of time becomes an inseparable part of the company's existence. That's because, the existence of a company in the middle of the environment has both positive and negative impacts. In particular, negative impacts trigger stakeholder reactions and protests, so it is necessary to balance through the role of Corporate Social Responsibility as one of the company's legitimacy strategies. The Corporate Social Responsibility (CSR) program can also be used as a long-term investment that is useful for minimizing social risks, as well as functioning as a means of enhancing the company's image in the public eye. One of the implementations of the Corporate Social Responsibility (CSR) program is community development or empowerment. Therefore Corporate Social Responsibility (CSR) also functions as an investment for the company for the growth and sustainability of the company and is no longer seen as a cost center but as a profit center.

G. Good Corporate Governance

Good Corporate Governance (GCG) comes from the term "Corporate Governance" which means corporate governance, which is a form of analogy between the government of a country and the government of a company (Becht et al., 2002). According to the Forum for Corporate Governance in Indonesia (FCGI) defines Corporate Governance as a set of rules governing the relationship between company holders, management (managers), creditors, government, employees and other internal and external stakeholders relating to their rights and obligations or in other words a system that controls the company. The purpose of Corporate Governance is to create added value for all interested parties (stakeholders).

The World Bank defines Good Corporate Governance (GCG) as a collection of laws, regulations and rules that must be complied with which can encourage the performance of company resources to work efficiently, producing long-term sustainable economic value for shareholders and the surrounding community as a whole. From the explanation above, it can be interpreted that Corporate Governance discusses a system, process, and a set of rules that are used to regulate relationships between various interested parties so that they can encourage company performance to work efficiently, produce long-term sustainable economic value for shareholders and shareholders. The surrounding community as a whole. Corporate governance encourages the creation of an efficient, transparent and consistent market with laws and regulations. The essence of Corporate Governance is to ensure that the parties involved in the company carry out their duties in accordance with their authority and responsibility. According to the general guidelines for Good Corporate Governance Indonesia, there are six main principles contained in good corporate governance, namely transparency, accountability, responsibility, independence, fairness and disclosure which will be described as follows:

1) Transparency (information disclosure), namely openness in carrying out the decision-making process and openness in conveying material and relevant information about the company, including about CSR activities
2) Accountability, namely the clarity of functions, structures, systems and accountability of the company's organs so that the management of the company is carried out effectively.
3) Responsibility, namely compliance in the management of the company with the principles of healthy cooperation and applicable laws and regulations.
4) Independency, namely a situation in which the company is managed professionally without conflict of interest and influence or pressure from management that is not in accordance with applicable laws and regulations and the principles of healthy cooperation.
5) Fairness (equality and fairness), namely fair and equal treatment in fulfilling stakeholder rights that arise based on agreements and applicable laws.
6) Disclosure, which is timely and accurate as well as transparent on all matters that are material to the company's performance, ownership and governance as well as those related to other matters such as employees and stakeholders; financial information should be independently audited and prepared to a high quality standard.

H. Hypothesis Develompment

1. Effect of Financial Performance on Firm Value

Investors carry out an overview of a company by looking at the company's profitability. Because, profitability can measure how effective the company is for investors. Where, one of the profitability ratios used by researchers is Return On Assets (ROA) as the main analytical tool in performance appraisal indicators. Where ROA here is used to measure the company's overall ability and what is invested in the activities used for the company's operating activities with the aim of generating profits. (Ang: 2007 in Zuraedah: 2010. Based on the theory and research, the hypothesis proposed in this study is as follows:

H1: Financial Performance Has a Positive Impact on Firm Value.

2. Effect of Company Size on Firm Value

Company size in this study is a description of the size of the company that can be seen in the total asset value of a company. The size of the company can cause a strong attraction of investors to the company because large companies have more stable conditions than other companies. This stable value is what attracts investors to play shares in the company. This can also be a factor in increasing the price of a company in the capital market.

Investors have high expectations of large companies. Investor expectations are in the form of obtaining dividends from the company. An increase in demand for company shares will lead to an increase in share prices in the capital market. This increase indicates that the company is considered to have a greater "value", then the hypothesis that can be put forward is:

H2: Firm size has a positive effect on firm value.

3. The influence of Corporate Social Responsibility in moderating the relationship between financial performance and company value

The results of research on financial performance with inconsistent firm value indicate that there are other influencing factors. For this reason, the researcher included the Corporate Social Responsibility variable as a moderating variable. Stakeholder theory is of the view that companies must carry out social disclosure as one of their responsibilities to stakeholders. This study uses the disclosure of Corporate Social Responsibility as a moderating variable with the thought that the market will give a positive appreciation as indicated by an increase in the company's stock price. This increase will cause the Company Value to also increase. Then the hypothesis that can be put forward is:

H3: Corporate social responsibility is able to moderate the relationship between financial performance and corporate value.

4. The influence of Good Corporate Governance in moderating the relationship between financial performance and corporate value

Mechanism of Good Corporate Governance with institutional ownership, management ownership, existence of an audit committee and dean of commissioners. Good corporate governance describes management efforts to manage assets and capital properly in order to attract investors. The proxy for Good Corporate Governance used is the Board of Commissioners. The existence of the Board of Commissioners is expected to be able to carry out their duties independently, solely for the benefit of the company, without the influence of various other parties. The existence of an independent commissioner is intended to create a more objective climate and place equality (fairness) between the various interests of the company and the interests of stakeholders as the main principle in decision making by the board of commissioners. The results of research conducted by Barhart and Rosestein (1998) in Nasser (2008) stated that the higher the representation of the Board of Commissioners, the higher the level of independence and effectiveness of the Corporate board. Based on these results, the hypothesis proposed in this study is:

H4: Good Corporate Governance is able to moderate the relationship between company performance and corporate value.

5. The influence of Corporate Social Responsibility in moderating the relationship between Company Size and Corporate Value

In general, according to Gray et.al (2001) most of the research conducted supports the relationship between company size and corporate social responsibility. Large company size creates great responsibility, especially social responsibility. The disclosure of Corporate Social Responsibility makes the company's image/corporate value even better, especially for large companies because it contributes directly to the environment in which the company is located. Thus the disclosure of Corporate Social Responsibility is expected to be able to strengthen the relationship between Company Size and Firm Value. Then the hypothesis that can be put forward is:

H5: Corporate Social Responsibility is able to moderate the relationship between company size and company value.

6. The influence of Good Corporate Governance in moderating the relationship between Financial Measures and company value
The larger the size of the company, the greater the required corporate governance mechanisms. Large companies should have better corporate governance to increase corporate value. According to Imrom et al. (2013) states that companies with large sizes are more likely to have more agency problems than small companies, so tighter control of Good Corporate Governance is needed. This is usually used by investors to make investment decisions. The more investors who respond positively to the company, the share price in the market will also increase. This shows that Good Corporate Governance is able to moderate the relationship between company size and company value. Then the hypothesis proposed is:

H6: Good corporate governance is able to moderate the relationship between firm size and firm value.

3 Research Method

Population and Research Sample
The population used in this study are manufacturing companies listed on the Indonesia Stock Exchange and companies that upload annual and financial reports on an ongoing basis from 2016 to 2021. The samples used were 25 companies which were research samples taken using a purposive sampling technique.

The independent variables in this study are financial performance and company size. Financial performance is expressed as return on assets (ROA) as measured by total assets multiplied by 100% by net profit after tax. Company size is measured by the natural logarithm of total assets. The dependent variable used in this study is firm value. Firm value is expressed as price to book value (PBV), which is measured by comparing its share price to book value. The moderating variable in this study is the disclosure of Corporate Social Responsibility (CSR) and Good Corporate Governance (GCG). Disclosure of CSR in this study used dummy variables, with category 1 for companies that disclose CSR items and category 0 for companies that do not disclose. For Good Corporate Governance (GCG). GCG is represented by an independent committee. The percentage of independent members can be calculated by calculating the percentage of members regardless of size from outside the company. The data analysis technique used in this study is median regression analysis. According to Hartono (2004: 143), the empirical model of moderating variables can be presented through the interaction of variables in the moderation regression model.

4 Result and Discussion

A. Test Results E Views 9 (Table 1)
Judging from the results of the test of the effect of x1 on y, it produces a probability value of 0.001 or 0.0001 < 0.05, which means that x1 has an effect on Y. The company's performance affects the company's value. It can be concluded that H1 is accepted.

H2: X2 > Y PAKE.

Firm size has an effect on firm value (Table 2).

Table 1. Test Results E Views 9 (2023). Financial performance affects the value of the company

Dependent Variable: Y				
Method: Panel EGLS (Cross-section random effects)				
Date: 01/31/23 Time: 06:22				
Sample: 2016 2020				
Periods included: 5				
Cross-sections included: 25				
Total panel (balanced) observations: 125				
Swamy and Arora estimator of component variances				
Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	5.535133	3.11725	1.775646	0.0783
X1	0.273884	0.068135	4.0197	0.0001
Effects Specification				
			S.D.	Rho
Cross-section random			10.31392	0.1745
Idiosyncratic random			22.43129	0.8255
Weighted Statistics				
R-squared	0.11599	Mean dependent var		7.218752
Adjusted R-squared	0.108803	S.D. dependent var		23.77531
S.E. of regression	22.44466	Sum squared resid		61962.81
F-statistic	16.13875	Durbin-Watson stat		2.482958
Prob(F-statistic)	0.000102			
Unweighted Statistics				
R-squared	0.125707	Mean dependent var		10.35352
Sum squared resid	74728.67	Durbin-Watson stat		2.058796

Table 2. .

Dependent Variable: Y				
Method: Panel EGLS (Cross-section random effects)				
Date: 01/31/23 Time: 22:27				
Sample: 2016 2020				
Periods included: 5				
Cross-sections included: 25				
Total panel (balanced) observations: 125				
Swamy and Arora estimator of component variances				
Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	28.0686	15.1519	1.85248	0.0664
X2	-1.19677	1.000283	-1.196432	0.2338
Effects Specification				
			S.D.	Rho
Cross-section random			12.16551	0.2111
Idiosyncratic random			23.51811	0.7889
Weighted Statistics				
R-squared	0.011584	Mean dependent var		6.771339
Adjusted R-squared	0.003548	S.D. dependent var		23.47704
S.E. of regression	23.43535	Sum squared resid		67553.5
F-statistic	1.441577	Durbin-Watson stat		2.711019
Prob(F-statistic)	0.232191			
Unweighted Statistics				
R-squared	0.009737	Mean dependent var		10.35352
Sum squared resid	84641.04	Durbin-Watson stat		2.163712

Judging from the test results of the effect of x1 on y, it produces a probability value of 0.2338 or 0.2338 > 0.05, which means that x2 has no effect on Y. Firm size has no effect on firm value. It can be concluded that H2 is rejected.

H3: X1 > Z1 > Y USE.

Corporate Social Responsibility can strengthen the relationship between financial performance and company value.

Dependent Variable: Y		
Method: Panel EGLS (Cross-section random effects)		
Date: 01/31/23 Time: 22:31		

(*continued*)

(*continued*)

Sample: 2016 2020				
Periods included: 5				
Cross-sections included: 25				
Total panel (balanced) observations: 125				
Swamy and Arora estimator of component variances				
Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	2.951823	1.575143	1.874003	0.0633
X1	-0.2581	0.056498	-4.56834	0
X1Z1	0.057614	0.003923	14.68708	0
Effects Specification				
			S.D.	Rho
Cross-section random			2.169449	0.0215
Idiosyncratic random			14.64772	0.9785
Weighted Statistics				
R-squared	0.685519	Mean dependent var		9.828541
Adjusted R-squared	0.680364	S.D. dependent var		25.79619
S.E. of regression	14.58423	Sum squared resid		25949.36
F-statistic	132.9706	Durbin-Watson stat		1.928028
Prob(F-statistic)	0			
Unweighted Statistics				
R-squared	0.690173	Mean dependent var		10.35352
Sum squared resid	26481.92	Durbin-Watson stat		1.889255

Judging from the test results above, the interaction of x1 * z1 on y produces a probability value of 0.0000 or 0.0000 < 0.05, which means that the interaction of z1 strengthens the influence of x1 on Y. Corporate Social Responsibility can strengthen the positive influence of financial performance on firm value. it is concluded that H3 is accepted.

Good Corporate Governance can strengthen the relationship between financial performance and company value.

Dependent Variable: Y		
Method: Panel EGLS (Cross-section random effects)		
Date: 01/31/23 Time: 23:27		
Sample: 2016 2020		
Periods included: 5		
Cross-sections included: 25		

(*continued*)

(*continued*)

Total panel (balanced) observations: 125				
Swamy and Arora estimator of component variances				
Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	3.751639	3.404579	1.101939	0.2727
X1	0.267359	0.068584	3.89826	0.0002
X1Z2	0.317116	0.259149	1.223684	0.2234
Effects Specification				
			S.D.	Rho
Cross-section random			9.993242	0.1642
Idiosyncratic random			22.54391	0.8358
Weighted Statistics				
R-squared	0.127183	Mean dependent var		7.353321
Adjusted R-squared	0.112875	S.D. dependent var		23.86799
S.E. of regression	22.48062	Sum squared resid		61656.15
F-statistic	8.888673	Durbin-Watson stat		2.534638
Prob(F-statistic)	0.000249			
Unweighted Statistics				
R-squared	0.145141	Mean dependent var		10.35352
Sum squared resid	73067.57	Durbin-Watson stat		2.138787

Judging from the test results above, the interaction of x1 * z2 on y produces a probability value of 0.2234 or 0.2234 > 0.05, which means that the interaction of z2 weakens the effect of x1 on Y. Good Corporate Governance can weaken the effect of financial performance on firm value. It can be concluded that H4 is rejected.

Corporate Social Responsibility can strengthen the relationship between company size and company value.

Dependent Variable: Y				
Method: Panel EGLS (Cross-section random effects)				
Date: 01/31/23 Time: 22:47				
Sample: 2016 2020				
Periods included: 5				
Cross-sections included: 25				
Total panel (balanced) observations: 125				
Swamy and Arora estimator of component variances				
Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	22.85555	14.73891	1.550695	0.1236

(*continued*)

(*continued*)

X2	-1.63138	0.982737	-1.66004	0.0995
X2Z1	0.072001	0.026507	2.716318	0.0076
Effects Specification				
			S.D.	Rho
Cross-section random			10.5154	0.1686
Idiosyncratic random			23.34935	0.8314
Weighted Statistics				
R-squared	0.068457	Mean dependent var		7.295411
Adjusted R-squared	0.053186	S.D. dependent var		23.82794
S.E. of regression	23.18562	Sum squared resid		65583.93
F-statistic	4.482781	Durbin-Watson stat		2.82069
Prob(F-statistic)	0.013224			
Unweighted Statistics				
R-squared	0.089289	Mean dependent var		10.35352
Sum squared resid	77841.4	Durbin-Watson stat		2.376524

Judging from the test results above, the interaction of x2 * z1 on y produces a probability value of 0.0076 or 0.0076 < 0.05, which means that the interaction of z1 strengthens the effect of x2 on Y. Corporate Social Responsibility can strengthen the positive influence of company size on firm value and it can be concluded that H5 is accepted.

Good Corporate Governance can strengthen the relationship between company size and company value.

Dependent Variable: Y				
Method: Panel EGLS (Cross-section random effects)				
Date: 01/31/23 Time: 23:35				
Sample: 2016 2020				
Periods included: 5				
Cross-sections included: 25				
Total panel (balanced) observations: 125				
Swamy and Arora estimator of component variances				
Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	28.02795	15.48102	1.810472	0.0727
X2	-1.20344	1.009948	-1.19158	0.2357
X2Z2	0.018452	0.372959	0.049475	0.9606
Effects Specification				

(*continued*)

(*continued*)

			S.D.	Rho
Cross-section random			12.53966	0.2199
Idiosyncratic random			23.61945	0.7801
Weighted Statistics				
R-squared	0.011656	Mean dependent var		6.670263
Adjusted R-squared	-0.00455	S.D. dependent var		23.41179
S.E. of regression	23.46495	Sum squared resid		67173.67
F-statistic	0.71941	Durbin-Watson stat		2.72571
Prob(F-statistic)	0.489094			
Unweighted Statistics				
R-squared	0.009515	Mean dependent var		10.35352
Sum squared resid	84659.96	Durbin-Watson stat		2.162722

Judging from the test results above, the x2 * z2 interaction on y produces a probability value of 0.9606 or 0.9606 > 0.05, which means that the z2 interaction weakens the effect of x2 on Y. Good Corporate Governance can weaken the effect of firm size on firm value. It can be concluded that H6 is rejected.

B. Discussion

From the results of testing the first hypothesis of financial performance on firm value it is known that financial performance has a significant positive (+) effect on firm value. The results of this study are supported by research conducted by Galih Syaiful Imron, Riskin Hidayat, and Siti Alliyah (2013) who found that financial performance has a positive effect on firm value. That is, investors view financial ratios as an investment evaluation tool to carry out an overview of a company, because it reflects the high and low of a company. If an investor wants to know how much return a company is generating on the investment they invest, the first thing they will look at is the profitability ratio. These results also support the theory put forward by Modigliani and Miller and Ulupui's research (2007) that firm value is determined by the power to produce company assets.

From the results of testing the second hypothesis it is known that company size has a negative (-) effect on firm value. These results are not in line with research conducted by Animah and Friendly (2010) who found that company size has a significant positive effect on firm value. However, this study supports the research of Galih Syaiful Imron, Riskin Hidayat, and Siti Alliyah (2013) that company size has a negative effect on firm value. Defining company size as a company characteristic related to company structure. Basically, investors invest their shares in companies with good prospects, regardless of the size of the company. Of course this has an impact on the decline in the company's share price. The size of a company does not affect an investor's investment, but investors prefer companies that offer benefits (Khasanah, 2011).

From the results of testing the third hypothesis, it was found that CSR disclosure strengthens the relationship between financial performance and firm value. The results of this study are in line with Putri's (2011) study, but do not support the research of

Galih Syaiful Imron, Riskin Hidayat, and Siti Alliyah (2013) Yuniasih and Wirakusumah (2007) that CSR cannot strengthen the relationship between financial performance and firm value. In theory, CSR disclosure is something that investors must pay attention to before making an investment, because it contains social information made by the company. It is hoped that this information will be taken into consideration by investors in investing (Hermawati, 2011). However, the results of this study indicate that investors respond to corporate CSR disclosures.

Testing the fourth hypothesis shows that GCG can strengthen the relationship between financial performance and firm value. The results of this study are in line with the research of Galih Syaiful Imron, Riskin Hidayat, and Siti Alliyah (2013) and Rahayu (2010). According to Fama and Jensen (1983) in Hapsoro (2008), the higher the proportion of independent committees in the committee, the more effective the committee's role in implementing the monitoring function of management's opportunistic behavior. Financial performance will be better because there is such supervision. Good corporate governance describes how corporate executives properly manage assets and capital to attract investors. Independent Commissioners are often referred to as External Commissioners and in other countries are often referred to as Outside Directors. Independent commissioners are recognized as an effective monitoring tool for management behavior (Leftwich et al., 1981 in Hapsoro, 2008). The company's supervisory function can improve its financial performance and increase the value of the company.

From the results of testing the fifth hypothesis, it can be seen that CSR data strengthens the relationship between firm size and firm value. As noted by Galih Syaiful Imron, Riskin Hidayat, and Siti Alliyah (2013) Sudan and Arlindania (2011), this research shows that small businesses may not exhibit socially responsible behavior as clearly as large companies. Growth will attract more attention in the corporate environment and will require a more open response. Fulfillment of corporate social responsibility is important for realizing the company's goal of increasing the value of the company, and in the case of a public company, the value of the company is reflected in the share price.

From the results of testing the sixth hypothesis, the implementation of Corporate Social Responsibility (CSR) as one of the implementations of Good Corporate Governance (GCG) is proven to strengthen the relationship between GCG and company values (Effendi, 2008: 107). Disclosure of better corporate social responsibility can increase consumer loyalty, which can provide added value to the company by influencing sales growth, increasing company value, which can benefit shareholders or company owners. (Susanti, 2010 and Ni Wayan Rustiarini, 2010) This can be achieved if the company incorporates elements of social responsibility towards its community, at least at a minimal level (Nurlela, Islahuddin, 2008).

5 Conclussion

Based on the research above, it can be concluded as follows:

1. The financial performance variable has a significant positive effect on firm value.
2. The variable firm size has a negative effect on firm value.
3. Disclosure of Corporate Responsibility (CSR) strengthens the relationship between financial performance and company value.

4. Good corporate governance is able to strengthen the relationship between financial performance and company value.
5. Disclosure of Corporate Social Responsibility (CSR) can strengthen the relationship between company size and company value.
6. Good corporate governance is not able to strengthen the relationship between firm size and firm value.

ADVICE

Suggestions for further research include:

1. Future research should also cover other industry sectors to increase the sample size and reflect capital market-wide responses.
2. Additional studies can use other financial performance proxies and GCG proxies.

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